

Attachment 8

List of Previous Revenue-Generating Ideas

Revenue Generation Ideas Committee

For Staff Training only: Pck5.8.1

	Description	Fund	Author	Estimated Revenue	Assigned to	Level	Status: Completed/Reviewed/ In Process
Citywide Marketing and Sponsorship							
1.	Aggressively pursue City-Wide Marketing Strategy to include corporate sponsorship (e.g., signs on City vehicles) (Marketing Comm.)	GP/TF	Fire		Phil Hester	Immediate	Underway
2.	Allow a gaming boat(s) to dock in the City and take people offshore	GP/TF			Chris Davis	Mid-Term	Legal Issue - Report Pending
3.	Allow gambling on the Queen Mary	GP/TF			Chris Davis	Mid-Term	Legal Issue - Report Pending
4.	Development and brand enhancement of the "Long Beach" brands, as in City Store goods	GP			Phil Hester	Mid-Term	Pending
5.	Sell advertising on City's website	GP	Library		E. Schmidt	Immediate	See Report - Refer to E-Government Committee
	Report: Presently the City/County of Honolulu is the only city with advertising on its website. (Salt Lake City is looking at it, but would probably limit it to Olympic advertising.) Honolulu has a partnership with eGovNet and its subsidiary eGovAds. They are currently generating about \$100,000 a year; 60% goes to the city/county and 40% to eGovNet. Their head of IT feels it could easily be worth \$200,000 a year and probably more. (In their budget of \$1 billion, it's "immaterial," so they are not aggressively pursuing it. It's more like an experiment.) For Honolulu he didn't feel that website advertising would support their website, which is 14,000 pages. The advertising was a way to offset costs with eGovNet. Their plan was to have 10 advertisers on a rotating basis; 6 places were sold; 4 are vacant due to the downturn of the dot.coms. He thought eGovAds was planning to charge advertisers about \$5,000 a month. ###						
6.	Sell City Info. (e.g. Medical Info) (Legal) (Charles Parkin)	GP	Fire		Skip Beck	Immediate	Legal - Report Pending
Marketing City-Wide Data							
1.	Marketing of Web-Based Data for RMS (Legal) (Charles Parkin)				Skip Beck	Immediate	Legal - Report Pending
Department-Specific Revenues							
1.	Initiate a Paramedic subscription program; similar to Huntington Beach - Gel Models	GP	Fire	200,000	Skip Beck	Mid-Term	Update Report Pending
2.	Initiate a non-emergency transportation system so the Fire Dept. assumes the transportation of inter-facility patients to hospitals that pay for this, along with BLS transportation service instead of having the private ambulances perform this activity. (BLS)	GP	Fire		Skip Beck	Mid-Term	Information available. Policy decision

Legend:
 Immediate FY 01-02
 Mid-Term FY 02-03
 Long-Term FY 03+

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3.	Renegotiate the contract with the City of Signal Hill for Fire Service. While we recover \$900,000 for services provided (which were made available by relocating existing resources thereby giving Long Beach a "windfall profit") the services we provide are valued at approximately \$1.3 million. In addition to the foregoing, the renegotiations should include charging for Fire Prevention services. (Yes)	GP	Fire		Skip Beck	Immediate	Report Pending
4.	Establish a Container Tax/Fee for Port cargo – this fee would be collected to offset the costs of fire services, which are required to be available due to the amount and type of cargo moved through the Port.	GP	Fire		A. Hough	Long-Term	See Report - Policy Decision
	Report: <i>Description:</i> Assigning a fee per port container as a means to generate revenue. <i>Pros:</i> 1. A fee, not a tax. 2. Paid by other, not taxing ourselves. 3. Only requires approval by five member Harbor Commission. 4. \$89 billion in trade through Port in 1999. <i>Cons:</i> 1. Restricted to Tidelands Use. 2. Harbor Commission not likely to support. <i>Legal Issues:</i> Revenue raised in the Port can only be used in the Tidelands. <i>Statistics:</i> for Fiscal Year 2000, 4.5 million containers.						
5.	Web-Based Records Management System		Fire		Skip Beck	Mid-Term	In Process
Taxes, Fees, and Fines							
1.	Admissions tax to all or selected events	GP/TF			A. Hough	Long-Term	See Report
	Report: <i>Description:</i> Tax on the consumer for the privilege of attending a show, performance, display or exhibition. Events for which the tax includes but not limited to movies, sports events, concerts, circuses, museums, horse races, skate centers, golf course green fees, and other exhibitions or performances. The tax is generally based on either a flat rate per ticket, a percentage of the admission price, or some sort of sliding scale. Certain persons can be exempt such as military, children under 12, student organizations and senior citizens. <i>Pros:</i> 1. Constant income. 2. Funds will increase concurrently with entertainment/tourism attendance and venues. <i>Cons:</i> 1. Additional tax on citizens; penalty is on users not overall. Additional tax may deter attendance. 3. Problems with enforcement if policy is not clear and understandable. 4. Support must be earned by affected groups. 5. Requires tracking and administrative support. 6. Cost of election, marketing, etc. 7. Proposal could affect Queensway Bay. 8. Loss of \$100,000 in administrative and permit fees if applied to Grand Prix due to contractual agreement. <i>Legal Issues:</i> 1. Approval required by voters in public election (Simple majority for general use of funds and 2/3 approval required for identified use). 2. If lists of events taxed are too narrow in scope, could be challenged in court. <i>Political Issues:</i> Community not supportive of new tax. <i>Timing:</i> 1. Place measure on April 9, 2002 ballot by adoption of resolution by City Council. 2. Resolution needs to be adopted no later than January 8, 2002 City Council meeting (must be at least 88 days prior to election)						Political decision. Community climate. May not be currently acceptable.
2.	Raise the Transient Occupancy Tax; each 1% is approximately \$700,000 to general fund	GP/TF/RDA		700,000	A. Hough	Long-Term	Rates are already at high level – See Report
	Report: Results of TOT Survey: (112 cities surveyed) This survey includes results from survey conducted by City of Livingston. Current rate: Long Beach at 12% - 50% to General Fund; 50% RDA/Spec. Adv & promo, etc. The majority of the cities surveyed range from 5% - 10%						

Legend:
Immediate FY 01-02
Mid-Term FY 02-03
Long-Term FY 03+

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3.	Create a new tax on oil-related natural gas generation (Talk to Dennis Sullivan)				A. Hough	Immediate	Pending Report
4.	Increase Oil Production tax (Talk to Dennis Sullivan)	GP	Oil Prop	\$170,000-850,000	A. Hough	Immediate	Pending Report
5.	Surcharge on car rentals at airport. Use for convention center or other.	GP			C. Davis	Immediate	Pending
	<p>Report: (4/30/2001) From Chris Davis: If fees are assessed on citywide car rental agencies, the fees can be used anywhere. If they're only assessed on car rental agencies located at airports, they can only be used on airport projects. Now, we need to find out what sort of revenue might actually be generated citywide!</p> <p>4/27/01 from Mark Echmalian: Logan International Airport was contacted regarding the surcharges assessed to car rental customers. They charge a 10 percent fee on gross receipts. This fee shows up on the customer's statement. In addition, there's a \$10 per contract "Convention Center fee" citywide (not just the airport) for construction of a new convention center downtown.</p> <p>There are other instances where a fee is assessed to car rental customers citywide. According to my contact at Logan, the City of Phoenix charges \$3 per rental contract for a new baseball stadium. Another airport (SFO?) adds 2 percent for the "consolidated garage," which is the central parking terminal all the rental companies use.</p> <p>He commented that, in general, rental car companies are more accepting of fees that are intended strictly for tourism-related projects. They will vigorously fight, however, add-on fees that cannot be shown to be tourism-based.</p> <p>From this limited "study", it appears that airport-only charges are used for either airport projects or toward airport concession fees. Add-on charges for projects elsewhere in the city (and these are usually specific projects) are assessed to all car rental locations citywide. ###</p>						
6.	Implement Street Trench Cut Fees	CP 201	PW/ES	2,000,000 Conservative Estimate	E. Shikada	Immediate	Trench Cut Coalition. Potential Opposition.
7.	Increase parking meter rates / extend hours for parking meter usage until 9:00 p.m. and include Sundays	GP/TF	PW		E. Shikada	Long-Term	Pending
8.	Charge non-residents wherever possible for use of city services. Establish a policy dealing with resident and non-resident fees with higher fees for non-residents, as we do on golf courses. Could be applied to other city programs and services.	Various			P. Hester	Immediate	Legal Pending
9.	Sell premium tee times for advanced (2 week) reservations	GP			P. Hester	Immediate	Report Pending
10.	Utility User Tax Extension to AES/Energy Companies -- Huntington Beach (Carol Shaw)				Skip Beck	Immediate	Research in Progress -- See the following background information

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Mid-Term FY 02-03
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<p>Background Information:</p> <p>4/13/2001: Letter addressed to Patrick Power, Attorney at Law, Oakland CA , request for review and written opinion. From: Robert Shannon, City Attorney by Carol Shaw, Deputy City Attorney</p> <p>RE: Exemption of AES Alamos Plant and Long Beach Generation Plant from City of Long Beach Gas and Water Utility Users Tax.</p> <p>Request for a review and to provide a written opinion. Several months ago I faxed you the attached letters from AES Alamos, LLC and Long Beach Generation, LLC states that each qualifies as an "electrical corporation" according to the definition contained in California Public Utilities Code Section 218 which forms the basis for the definition in Long Beach Municipal Code Section 3.68.020(A), and also creates the basis for the exemption from Gas and Water Utility Users Tax (UUT) for gas and/or water used in the generation of electrical energy. During a meeting at the Gas Department, you questioned whether these companies were "electrical corporations" and whether they might be subject to payment of the tax. I requested that you review the matter and provide me with a written opinion in that regard. However, with all that has been occurring in the utility arena lately, this request may have gotten misplaced.</p> <p>As the relevant UUT exemption pertains to gas usage, Long Beach Municipal Code section 3.68.040(C) states the following: C. There shall be excluded from the base on which the tax imposed in this section is computed. (1) Charges made for gas, which is to be resold and delivered through mains or pipes. 2. Charges made for gas to be used in the generation of electrical energy by an electrical corporation or governmental agency. 3. Charges made for compressed natural gas used for motor vehicle fuel.</p> <p>As the UUT exemption pertains to water usage, Long Beach Municipal Code section 3.68.060 @ states: C. There shall be excluded from the base on which the tax imposed in this section is computed charges made for water which is to be resold and delivered through mains or pipes and <u>charges made for water used in the generation of electrical energy by an electrical corporation.</u></p> <p>As noted above, the exemption in Section 3.68.040(C)(2) of the Long Beach Municipal Code provides an exemption from gas users tax for charges made for gas to be used in the generation of electrical energy by an "electrical corporation" or governmental agency. Further, Long Beach Municipal Code section 3.68.060(C) provides an exemption from water users tax for water used in the generation of electrical energy by an electrical corporation.</p> <p>The above exemption applies to these companies only if they are "electrical corporations"; however, following the many changes in the electric industry since AB1890, I am uncertain whether the definition of an "electrical corporation" may have been broadened by the CPUC and/or other Public Utilities Code sections.</p>						

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	<p>Based upon the attached information provided by these companies, both have been exempted from the payment of gas and water users tax for gas and water used in the generation of electrical energy since taking over ownership from Southern California Edison Company in 1998.</p> <p>Your review and opinion in this matter is most appreciated. Please provide your opinion in writing as soon as possible so that I can share it with other interested persons in the City involved in tax and financial matters. ###</p>						
14.	Expand Harbor District to include all Tidelands Operations				P. Hester	Immediate to Mid-Term	Report Pending
Miscellaneous Financial Transactions							
1.	Include other participants (public agencies/cities) in our Investment Pool for a fee between our cost and the market (contracting-in)	GP			A. Walker	Mid-Term	Report Pending
2.	Ensure suggested changes are made to the city's billing system in order to maximize fee recovery for city services.	GP	Fire		B. Torrez	Immediate	Study underway
3.	Survey cities throughout the United States on fee structures to ensure the city is recovering appropriate costs and/or is correctly charging for services.	Various	Fire		Desiree Gooch	Mid-Term	Pending
4.	Build truck scales off freeway	GP			E. Shikada	Long-Term	Chief Lance
5.	Trade Prop A transportation funds with another city/agency for General Fund dollars (probably at a discounted exchange)	GP	CM	400,000 annually	E. Shikada	Immediate	
6.	Encourage other companies to purchase materials and supplies through Edison's Material Supply Company, thereby collecting additional sales tax for the City (e.g. Community Hospital of Long Beach, Inc.) (Legal ok - City Attorney approved)	GP	CM		B. Hennessy	Mid-Term	Legal Report Pending
7.	Purchasing Companies (based on SCE model) (Sales Tax Issue)	GP		3.2 Mil.	B. Hennessy	Immediate	Legal Pending
8.	Take legal action against SCE for lost revenue due to the implementation of their partial payment posting priority policy. Collection accounts have increased dramatically.	GP	CM		B. Hennessy	Immediate	Audit Pending
9.	American Golf Water Issue				P. Hester	Immediate	See Report
	Report: The cost of water has required American Golf to conserve water to the point that course conditions are being compromised. If the water moratorium is extended, American Golf would then be able to irrigate our golf courses at an appropriate level, with limits on use just as we have for our parks. In exchange, American Golf would agree to compensate the city (General Fund) in an annual amount in the range of \$600,000. The Water Department would then be given the opportunity to raise its rates over a period of time.						

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10.	Workman Comp Issue				Dan Gooch	Immediate	See Report
	Report: Number of reviews per year: 12; Average time required: 4 months; Total number of months of "down-time" of our members: 48; Average cost per month per individual \$7,500 (average salary/benefits = \$90,000). Total non-productive cost \$360,000; Savings (25%): \$90,000.						
11.	G.O. Bonds				B. Hennessy	Mid-Term	Report Pending
12.	Strategic Plan – Department's Strategic Plan based on potential revenue				B. Phillips	Mid-Term	Report Pending

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Long-Term FY 03+

Revenue Generating Ideas Committee

SUGGESTIONS INVESTIGATED AND DETERMINED NOT VIABLE, ARE CURRENTLY BEING PRACTICED OR PURSUED BY INDIVIDUAL DEPARTMENTS

Staff tracking only: pck5.8.1

	<u>Description</u>	<u>Fund</u>	<u>Author</u>	<u>Estimated Revenue</u>	<u>Assigned to</u>	<u>Not Recommended</u>	<u>Being Processed</u>
Citywide Marketing and Sponsorship							
1.	Convert existing abandoned corporate facilities to production sound stages	GP/TF/SAP					
2.	Fire Station Sponsorship						
Marketing City-Wide Data							
1.							
Department-Specific Revenues							
1.	Create a Long Beach "Fire District" – this is currently in place in Los Angeles County. This revenue producing mechanism raises funds for fire-related services. Fees are placed on property tax bills and could be used to offset on-going costs.	GP	Fire				
2.	Establish a home inspection program – Fire personnel from stations can be utilized to inspect residential homes and charge a reasonable fee such as \$25 per inspection. Improved fire safety along with the potential of reduced fire insurance costs would result.	GP	Fire				
3.	Increase fines for late Library returns	GP					
4.	Charge fee for all Library books currently on Best Seller List (LA does)	GP					
5.	Entrepreneurial Library – aggressively seek corporate and non-profit donors and creation of a Cyber-Café and Distance Learning Center	GP	Library				
6.	Raise marina fees once marina improvements are evident. Higher fees will help repay loans and establish a maintenance/replacement account for the marinas making them true enterprise accounts.	TF					
7.	Charge fees for Youth sports (except for underprivileged) and non-residents	GP					
Taxes, Fees, and Fines							
1.	Raise green fees at City golf courses, at least weekend fees Status: Done						
2.	Raise green fees at City golf courses, at least weekend fees even more						
3.	Charge green fee for seniors on the back nine				P. Hester	Not politically viable.	
Miscellaneous Financial Transactions							
1.	Book interest from Business License Tax surcharge to General Fund	GP					

Legend:

Immediate FY 01-02

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2.	Pursue State rebate monies for Police Officer investigation costs per SB90 Police Officer Bill of Rights (POBOR)	GP					
3.	Allow and charge employees for car wash behind PD headquarters	GP					
4.	Create an assessment district to charge peninsula residents for the cost of annual sand replenishment	TF					
5.	Rent Council Chambers to public for special events	GP					
6.	Develop a citywide yearly parking pass, which can be purchased for use in all city lots, and the beach lots, etc.	GP/TF/Cvc Center					
7.	Encourage the City to host "How to" seminars on a variety of subject matters in order to draw visitors to the city. <i>More revenue would be realized by increased TOT and Sales Tax.</i>	GP	Fire				
8.	Continue contracting concept once a policy is developed, especially if you can do it and not have to eliminate staff. Prime candidate is Street Islands.	Various					
9.	Contract-in for consulting to other cities and agencies in award-winning areas, such as Parks/Recreation/Marine Department	Various					
10.	Open Aquarium Store to the public	GP					
11.	Charge employees for parking in Lincoln and Broadway Parking Lots	Cvc Cntr	Library				
12.							

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Immediate FY 01-02

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Long-Term FY 03+